



Iowa Department of Human Services

Kim Reynolds
Governor

Adam Gregg
Lt. Governor

Jerry R. Foxhoven
Director

December 1, 2017

W. Charles Smithson
Secretary of Senate
State Capitol Building
LOCAL

Carmine Boal
Chief Clerk of the House
State Capitol Building
LOCAL

Dear Mr. Smithson and Ms. Boal:

Please find enclosed a copy of the 2017 report to the General Assembly relative to the Non-State Government-Owned Nursing Facility Upper Payment Limit Supplemental Payment Program. This report was prepared pursuant to directive contained in House File 2460, Section 82(86th G.A.).

In accordance with this legislation, the Department of Human Services was directed to submit a report on or before December 15, regarding the program.

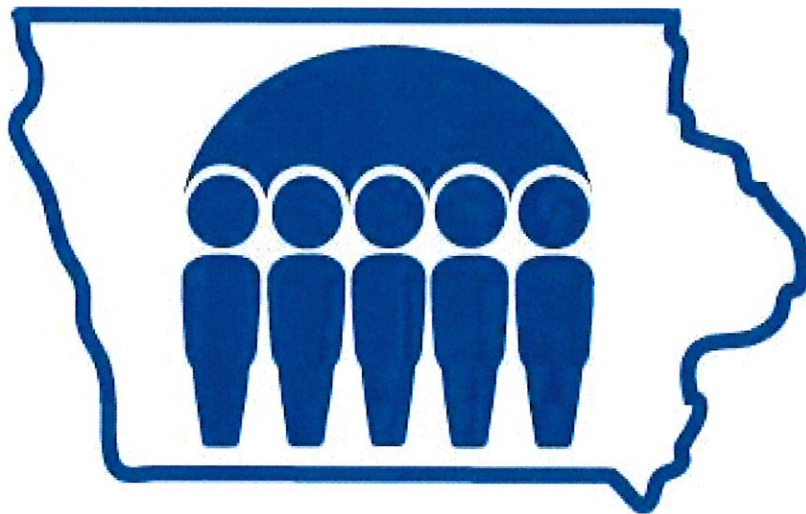
Sincerely,

Merea D. Bentrott
Policy Advisor

Enclosure

cc: Kim Reynolds, Governor
Legislative Service Agency
Kris Bell, Senate Democrat Caucus
Josh Bronsink, Senate Republican Caucus
Jeff Mitchell, House Republican Caucus
Zeke Furlong, House Democrat Caucus

Iowa Department of Human Services



Non-State Government-Owned Nursing Facility Upper Payment Limit Supplemental Payment Program

December 2017

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I. Introduction and Background

Provisions of House File (HF) 2460, enacted by the 86th Iowa General Assembly, required the Department of Human Services (DHS) to submit to the Centers for Medicare and Medicaid Services (CMS) a Medicaid State Plan Amendment (SPA) to allow qualifying non-state government-owned (NSGO) nursing facilities (NF) to receive a supplemental payment in accordance with upper payment limit (UPL) requirements. The supplemental payment shall be in addition to the greater of the Medicaid fee-for-service per diem reimbursement rate or the per diem payment established for the NF under a Medicaid managed care contract.

Provisions of HF 653, enacted by the 87th Iowa General Assembly, require the Department of Human Services (DHS) to submit to the Centers for Medicare and Medicaid Services (CMS) a Medicaid State Plan Amendment (SPA) to allow qualifying non-state government-owned (NSGO) nursing facilities (NF) to receive a supplemental payment in accordance with upper payment limit (UPL) requirements. The supplemental payment shall be in addition to the greater of the Medicaid fee-for-service per diem reimbursement rate or the per diem payment established for the NF under a Medicaid managed care contract.

Provisions of HF 2460 require DHS to submit a report to the governor and the general assembly on or before December 15, annually after approval and implementation of the supplement payment program. At this time, approval by CMS has not been received and implementation processes have not begun. The content of this report is to supply an update on the directives of HF2460 and HF653.

II. Progress and Status

On June 7, 2017, The Iowa Medicaid Enterprise (IME) received notice from CMS indicating SPA 16-018 was denied. SPA 16-018 was submitted on September 28, 2016, was to calculate payments under the program quarterly for Medicaid fee-for-service claims and to include NSGOs in the quality assurance assessment fee program. These provisions based on HF 2460

On September 27, 2017, IME submitted SPA 17-014 to implement the NSGO UPL to CMS based on the changes enacted in HF 653. CMS has ninety (90) days to review the SPA request and to submit questions concerning the changes. The 90th day is December 26, 2017. At this time, there has not been any communications from CMS concerning this particular SPA. If questions are submitted, IME will respond promptly for consideration. If approval is given, IME will work with stakeholders on implementing the provisions of HF 653.